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SIPDIS

USDOC FOR 532/OEA/MNICKSON-DORSEY/LLAUCIUS  
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR  
WILLIAM ZARIT  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS  
SINGAPORE FOR FCS

SIPDIS

E.O. 12958: N/A  
TAGS: [BMGT](#) [BEXP](#) [ETRD](#) [ETTC](#) [HK](#)  
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION:  
SIMAL INTERNATIONAL PTE LTD.

REF: A) USDOC 04424

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Regional Export Control Officer Philip Ankel (ECO) conducted a post shipment-verification at Simal International Pte. Ltd., 16 Ayer Rajah Crescent No. 04-05 H, Tempco Technomin, Singapore (Simal). The items in question were 48 integrated circuits exported to Simal on or about March 2, 2007 and valued at USD 7,632. On the applicable shippers export declaration (SED), the items were classified as 3A001 and are most likely controlled for national security (NS) reasons. The exporter was Etronica LLC of Huntington, New York.

13. According to the Singapore companies registry, Simal has been in existence since 1989. Its paid-up share capital is the Singapore equivalent of USD 200,000. Singapore nationals, Mr. Surendran S/O Supramaniam and Mr. Krishnamurthy Vaidyanathan are listed as directors.

14. On June 22, 2007, the ECO met with Mr. Surendran S/O Supramaniam, Director (Suren on his business card) and Mr. Krishnamurthy Vaidyanathan, Managing Director (Vaidy on his business card). Mr. Supramaniam and Mr. Vaidyanathan stated that the company had been in existence since 1992 and is owned and run by the two of them. They stated that they are primarily a "sourcing" company, meaning that they receive inquiries for certain items and attempt to source those items for their customers. They stated that they typically work with government entities in Singapore as the payment risk is limited. Their business focuses on CPUs and other computer products as well as spot sales of various mechanical parts (valves, hoses, etc.). Simal's customers are primarily based on Singapore but Simal also sells to Malaysia, Indonesia and India. Simal has seven staff in Singapore as well as sales agents (who operate on a commission basis) in India and Indonesia.

15. As to the specific items in question, documents provided by Simal indicate that the customer was Bharat Electronics Limited. Mr. Supramaniam stated that Bharat Electronics is in the communications field and provides various equipment to the Indian military. A visit to the company's web site (www.bel-india.com) reveals that Bharat Electronics was established in 1954 to meet the electronics needs of the Indian defense services.

16. When the discussion turned to Indian government entities on BIS's Entity List, Mr. Supramaniam and Mr. Vaidyanathan stressed that they are well aware of this list and generally do not do business with these entities. At the same time, they keep the lines of communication open given that some low level items may be sold to some of these entities (without a license). Mr. Supramaniam and Mr. Vaidyanathan went on to stress that when they deal with customers in India, they inform the supplier of the known end-user and comply with whatever requirements the supplier might have (whether end-user certificate or other informational requirements). The ECO stressed that Simal has an independent obligation to comply with U.S. export control laws and cannot rely solely on the U.S. suppliers to determine whether a license is required or some other restriction exists with respect to its customers. The ECO further stressed that while some Entity List companies may receive EAR99 items, end-use and end-user controls remain on those and other potential customers. Mr. Vaidyanathan stated that he cannot know everything about all potential

customers to which the ECO responded that the BIS website contains valuable know your customer and similar guidance. Mr. Vaidyanathan and Mr. Supramaniam both stressed that they are keen to comply with U.S export control laws and they want to avoid any issues that may jeopardize the continued good standing of their business. They further stressed that they have no business with the state sponsors of terrorism countries (Iran, Syria, Sudan, Cuba and North Korea).

17. At the time visited, Simal appeared to be a suitable recipient of the commodities shipped (as reseller) since Simal cooperated with the PSV and

provided all requested information concerning the final disposition of the applicable items. At the same time, the ECO was not able to inspect the subject items as they had already been delivered to Simal's customer. Consistent with guidance on reporting of PSVs where the items cannot be physically inspected, the ECO recommends that this PSV be classified as Limited.

Cunningham